

By: Capriglione

H.B. No. 1187

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a captive insurance company to provide reinsurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 964.052(a), Insurance Code, is amended to read as follows:

(a) A captive insurance company may provide reinsurance to an insurer covering the operational risks of the captive insurance company's affiliates, or risks of a controlled unaffiliated business, that the captive insurance company may insure directly under Section 964.051 and:

(1) employee benefit plans offered by affiliates;

(2) liability insurance an affiliate must maintain as a prerequisite for obtaining a license or permit if the law requires maintenance of the liability insurance; ~~and~~

(3) credit life insurance and credit disability insurance offered as a part of, or directly relating to, the operational risks of an affiliate; and

(4) workers' compensation insurance and employer liability policies issued to affiliates if the insurer that directly issues workers' compensation insurance and employer's liability policies or its licensed, if required by law, administrator or adjuster:

(A) services all claims incurred during the

1 policy period; and

2 (B) complies with all requirements for an insurer
3 under this code, including Chapter 462, and under Title 5, Labor
4 Code.

5 SECTION 2. This Act takes effect September 1, 2017.